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‘Why do we fund the arts?’

Sydney Institute

7 April 2021

Introduction

It is a pleasure to once again address the Sydney Institute – which is well recognised as one of Australia’s leading forums for serious discussion of public policy questions.

As Commonwealth Minister for the Arts, tonight I want to consider the question, ‘Why do we fund the arts?’

There are plenty of myths spread about this issue – one being that Coalition Governments fund the arts less generously than our political opponents.

In fact, Coalition governments have consistently been strong supporters of the arts – as I point out in the first part of my remarks tonight, as well as touching on the reasons for that support.

Next I want to talk about the challenge which COVID has created for the arts sector – and how the Morrison Government has responded.

In the last part of my remarks, I will discuss our priorities for the arts sector. The Morrison Government want the arts to be for everyone – not for an elite group of people wearing black tie going to opening nights in our big cities.

We also have a strong focus on the economic importance of the arts.

These themes have underpinned the actions I have taken as Arts Minister since coming into the portfolio. I am pleased to say I have had strong support from the many friends of the arts across the Coalition, including the Prime Minister and the Treasurer.

A strong history of supporting the Arts

Let me turn firstly, then, to the strong history of the Liberal and National parties in supporting arts and culture in Australia. Much of today's arts landscape, for example, goes back to decisions in the sixties and seventies.

Robert Menzies was the driving force behind the establishment of the National Library of Australia, laying its foundation stone in 1966. Harold Holt in November 1967 committed that his government would build on Menzies' proposal for a national gallery of art, with a particular focus to include the cultural achievements of Australia's neighbours in southern and eastern Asia and the Pacific islands. Holt also established a national funding body for the arts – now known as the Australia Council.

John Gorton worked to foster an independent film production sector in Australia, establishing what became known as the Australian Film Television and Radio School in legislation passed in 1972.

The Howard Government, too, took significant measures to foster arts and culture, committing to the National Museum of Australia which opened in 2001 and the National Portrait Gallery of Australia, which opened in 2008. As then Arts Minister George Brandis observed in a speech in 2007:

The two most significant public buildings commissioned in the lifetime of this Government are both art galleries.¹

That strong support has been continued under this current Liberal National Government. Business as usual funding for the Arts from the Morrison Government stands at around \$750 million a year. This includes around \$215 million allocated through the Australia Council; \$260 million for our national collecting institutions – the National Gallery, the National Portrait Gallery, the National Museum, the National Film & Sound Archive, the National Maritime Museum, the National Library and Bundanon; and \$80 million allocated through Screen Australia.

¹ George Brandis, Address to the National Press Club, "Who are the new Philistines?", Wed 19 September 2007

All this is before our very substantial support for the arts and entertainment sector in responding to the COVID-driven downturn – which I will speak of in a moment.

What, then, has been the rationale for Liberal National Governments to support the arts so strongly? Let me suggest four. First, of course, is the inherent value of creative and cultural endeavour. To write, to paint, to play music, to act, to tell stories – these are fundamental human instincts. For the 65,000 years that the world’s oldest continuous living culture has occupied this continent, it has been rich with activity in all of these fields and many others besides.

Secondly, it is an important part of our national identity that we have institutions recording our history, showcasing works of Australian artists and fostering study and appreciation of art and culture – which after all is a means of seeking to explain, interpret, understand and respond to the world in which we live. As Marilyn Darling has explained to me, in her advocacy for the founding of the National Portrait Gallery, she pointed out the importance of analogous galleries in Britain and the United States in contributing to national identity in those countries. As history records, the Howard Government found this advocacy persuasive.

A third reason for the support of the arts by Coalition Governments is that we have responded to the support for and interest in the arts which is widely shown by Australians. In 2019, 98 per cent of Australians engaged with the arts by making art, listening to music, reading for pleasure, viewing, attending or going online.² Many of us are very actively engaged: in 2017-18, 31.4 per cent of adult Australians participated in at least one cultural activity such as playing music, singing, dancing, writing, sculpting, painting or photography.³

A fourth, and very important, factor is the economic significance of the arts. This is always a risky argument to make as Arts Minister because it raises a suspicion that you are blind to the inherent value of artistic and cultural activity. But governments think in

² Australia Council, 2019 National Arts Participation Survey

³ Australian Bureau of Statistics [Participation in Selected Cultural Activities, cat. no. 4291.0]

economic terms: we are interested in jobs generated and businesses supported and number of tourists attracted and the extent of capital investment stimulated. On all of these measures the arts and entertainment sector carries serious weight.

The cultural and creative sector made up \$115.2 billion of economic activity in 2017–18, 6.3 per cent of GDP.⁴ In 2016, 645,000 people – six per cent of the total Australian workforce - were employed in the cultural and creative industries.⁵

Of those people, 32,000 were employed as creative artists, musicians, writers and performers, and as support staff in the performing arts. 16,000 were employed in galleries, libraries, archives and museums; and 49,000 were employed in the broadcasting, electronic or digital media, and screen industries.⁶

As this breakdown of employment numbers suggests, the cultural and creative sector encompass core arts and entertainment undertakings such as theatrical and musical performances; galleries, libraries and museums, and film. It also encompasses related sectors such as publishing, television, architecture, fashion and software.

Some of these sectors are government subsidised; some operate on a for profit basis in the marketplace. But of course many people move freely between these different sectors – whether it is actors who appear in a Sydney Theatre Company play but also in a Hollywood movie; directors who make TV commercials as well as movies supported by Screen Australia; or architects who move from designing houses to designing sets.

This crossover between subsidised art forms and the commercial marketplace provides another important rationale for public funding for the arts; I will come back to this point a little later.

4 Bureau of Communication and Arts Research (BCAR), [Cultural and creative activity in Australia 2008-09 to 2017-18]

5 2016 Census [Calculations of persons employed in the cultural and creative industry domains: design; fashion; broadcasting, electronic or digital media, and film; literature and print media; visual arts and crafts; performing arts; environmental heritage; supporting activities; other cultural goods manufacturing and sale; libraries and archives; museums; and music composition and publishing. Total workforce as per Census was 10.1 million people.]

6 2016 Census [cultural and creative industry domains: performing arts industry division; library and archives industry division; museums industry division; broadcasting, electronic or digital media, and film industry division]

Let me mention one particular case study of the economic impact of the arts: the link with tourism. We know that arts and culture are important drawcards for tourists – both Australians travelling domestically and also international visitors to Australia.

The Australia Council looked at these issues in a recent report on arts tourism. It found that in 2018, there were 12.3 million day trips and 13.4 million overnight trips that included arts activities, undertaken within Australia by Australians.⁷ It also found that arts tourists are high value tourists: domestic arts tourists spent around \$16 billion in 2018, while international arts tourists spent around \$17 billion in 2017.⁸ It turns out that arts tourists travel further, stay longer and spend more than the average tourist in Australia.

What we also know is that arts tourism is growing – or at least it was before COVID. Arts tourism by international visitors increased by 47 per cent between 2013 and 2017, whereas international tourist numbers overall were up 37 per cent.⁹

COVID and the Arts

This is a good point to discuss the severe impact of COVID on the arts and entertainment sector in Australia. When COVID hit and lockdowns began, the outcome was that venues were closed, performances were cancelled and artists lost their gigs.

Australia wide lockdowns began on 14 March 2020 – when Australia recorded its 100th case of the virus. By the week commencing 30 March, only 47 per cent of businesses in the arts and recreation services sector were operating.¹⁰

The Morrison Government moved quickly to support the arts and entertainment sector, including through making JobKeeper and JobSeeker available and through cashflow support to businesses in the arts sector.

7 Source: Australia Council for the Arts, 2020, Domestic Arts Tourism: Connecting the Country.

8 Sources: Australia Council for the Arts, 2020, Domestic Arts Tourism: Connecting the Country; Australia Council for the Arts, 2018, International Arts Tourism: Connecting Cultures.

9 Source: Australia Council for the Arts, 2018, International Arts Tourism: Connecting Cultures.

10 Source: Australian Bureau of Statistics, [5676.0.55.003 - Business Indicators, Business Impacts of COVID-19](#), Week Commencing 30 March 2020.

If we take the numbers from the start of the pandemic through to the end of December 2020, total JobKeeper payments to people employed in the Creative and Performing Arts industry subdivision – to use the terminology of the Australian Bureau of Statistics - stood at over \$731 million. As well, some \$119 million in cash flow boost credits went to 3,200 businesses in this subdivision.¹¹

I mentioned earlier the myths which abound when it comes to arts funding. There has been plenty of myth making during COVID from our political opponents and the Media Arts and Entertainment Alliance. They claimed, quite wrongly, that JobKeeper was not well designed for the arts sector and most people were not getting it. In fact, as at April 2020, around two thirds of all people employed in the creative and performing arts industry subdivision received JobKeeper.¹²

It frankly mystifies me that people who claim to be advocating for the interests of workers in the arts and entertainment sector should have occupied themselves in spreading fear and misinformation on this issue.

We also moved quickly to provide funding designed to stimulate the restart of arts activity. In our view this was the first best approach so we could get people in the sector working again as soon as was practical. To provide payments to people in the sector while they were not working – while very much a necessity during the period that most activity was heavily restricted for public health reasons – was nevertheless a second best from an arts policy point of view. Again this is an issue where we seem to have a clear difference of opinion with our political opponents.

Our first package of \$27 million was announced in early April, with an emphasis on indigenous art and regional art. In June, we announced our \$250 million COVID-19 Creative Economy JobMaker Package. This included \$75 million for the RISE fund - Restart Investment to Sustain and Expand – intended to provide capital to help

¹¹ Australian Taxation Office data.

¹² Source: Bureau of Communications and Arts Research, 2020, *Characteristics of Employment and Business Activity in Cultural and Creative Sectors*. Based on Australian Taxation Office data and Labour Force data collected by the Australian Bureau of Statistics.

production and event businesses to stage new festivals, concerts, tours and events as social distancing restrictions eased. All \$75 million has now been committed, supporting 176 different productions, shows and events around Australia, expected to be seen by 15 million Australians and to generate 64,000 jobs.

It also included the Show Starter Loan Scheme—\$90 million in loans, to be delivered by the banks but supported by a 100 per cent Commonwealth guarantee, to assist arts and entertainment businesses adversely affected by COVID-19 to access finance for new productions and events.

There was a \$50 million Temporary Interruption Fund (TIF), administered by Screen Australia, to support local film and television producers to secure finance and keep filming. This was necessary as filming of new productions had largely come to a halt, because insurers would not provide coverage against key personnel on a film being unable to continue due to catching COVID, and without that insurance screen financiers would not release funding for productions to go ahead. So far, over 40 productions have been able to commence with the support of the fund – generating over 11,000 jobs across every state and territory.

The final element was the Sustainability Fund - \$35 million to provide direct financial assistance to support significant Commonwealth-funded arts and culture organisations facing threats to their viability due to COVID19.

In July, we announced an additional \$400 million for the Location Incentive, bringing total funding for this program to \$540 million, with the objective of attracting large budget international film and television productions to Australia over the next seven years. To date 22 productions have been announced, generating 12,700 jobs and bringing in investment of over \$1.66 billion.

In September we announced an additional \$22.9 million in 2020-21 to support Australia's national cultural institutions during COVID-19; in the October budget we topped this up with a further \$31.2 million for these institutions.

Also part of the October budget were commitments for a further \$33 million to Screen Australia to support the continued development and production of Australian content, and \$20 million to the Australian Children's Television Foundation to further support quality Australian children's screen content.

Just in the last month we have added further funding for Australia's creative and cultural sector. The RISE fund – initially provided with \$75 million when announced in June last year – has been increased by a further \$125 million. This funding will support new or reimagined arts and entertainment events, including festivals, concerts and tours, as Australia's creative sector continues to bounce back from the impacts of COVID-19.

We have also committed \$20 million to support some 390 independent cinemas around the country. These businesses have been doing it pretty tough under COVID with limits on how many patrons they can have in the cinema, as well as the delaying of new release films by major distributors.

And I make the point again – all of this is on top of our business as usual funding of the arts sector in Australia, which stands at around \$750 million a year.

In fact, in the last twelve months, when you add up the business as usual funding; the \$855 million in additional funding we have announced; and the \$850 million provided to the creative and performing arts subsector through JobKeeper and cash flow support, you arrive at a figure for total Commonwealth support for the arts of nearly \$2.5 billion.

So when our political opponents trot out their usual myths about which side of politics really looks out for the arts, do not believe them. The level of funding committed to the arts by the Morrison Government in 2020-21 has been unprecedented.

Our priorities for the Arts sector

Let me turn, in the final part of my remarks tonight, to speak about our priorities for the arts. I have already spoken of the key reasons why Coalition governments strongly support the arts – and those reasons remain as valid today as they were in the days of

Menzies, Holt and Gorton. But there are some additional factors worth highlighting as we see the arts sector increasingly heading on the path to normality.

There are four key priorities I want to highlight:

- the importance of the arts being for all Australians
- contestable and competitive funding
- the arts and the knowledge economy
- indigenous arts.

The importance of the arts being for all Australians

What does it mean to say that the arts should be for all Australians?

Some might disagree, saying this is code for abandoning the pursuit of excellence, or for our only guide in arts policy being what is popular.

I do not think it means either of these things; it simply means there are some serious issues we need to consider.

Much of our arts activity happens in the CBDs and inner city areas of our capital cities. Is this fair to the around eight million residents of regional and remote Australia? Do our national companies tour enough? Are they seen often enough in our regional towns?

An equally valid question is whether it is fair to the millions of residents of suburban Australia. Why do we not have major subsidised theatre companies or symphony orchestras or circus companies based in Blacktown or Liverpool or Penrith or Broadmeadows or Logan or Elizabeth or Rockingham?

When the Prime Minister and I launched our Creative Economy Package in June last year, we deliberately choose the new Sydney Coliseum Theatre in Rooty Hill in Sydney's west. The fact is that plenty of residents of suburban Australia are very interested in the

arts and are keen to get along to see a show – as the multimillion dollar decision to build that new theatre demonstrates.

That is not just my view – it is supported by research from arts think tank A New Approach in their recent report *A View from Middle Australia: Perceptions of arts, culture and creativity*.¹³ The report draws on eight focus groups, with participants described as ‘Middle Australians’ based on income, and mainly living in marginal electorates.

The participants showed strong support for the importance of arts and culture. They saw arts and culture as playing a significant role in building community, defining identity, stimulating creativity, improving mental health, and enriching children’s education.

They expressed a preference for live performance, and interactive, participatory forms of art and culture (e.g., community art, festivals). Interestingly, they reported that when the term ‘arts’ was used by itself they saw it as referring to ‘high arts’ (aimed at a small, elite group) but they saw the phrase ‘arts and culture’ as referring to activities that are broadly accessible and important. It sounds to me like Menzies, Holt and Gorton were on to something.

Now this view of making the arts accessible has underpinned many of the choices in allocating funding under RISE fund. When my Department has advised me to give \$668,416 dollars to a Lego Display; \$971,895 dollars to Harry Potter the stage show in Melbourne and \$1,463,300 dollars to the Woodfordia Folk Festival in south east Queensland, I have been very happy to accept that advice. We are unapologetic about wanting to see arts and entertainment events reach out to the widest possible audiences.

I should also emphasise the important role of the Creative Economy Taskforce which we established to advise the Morrison Government on the recovery in the arts sector – including offering strategic advice on how we should use our funding commitments.

¹³ Source: Australian Bureau of Statistics, [3218.0 – Regional Population Growth, Australia, 2016](#).

The Taskforce is chaired by the dynamic Liz Ann McGregor, sadly soon to be lost to the Australian arts scene after a highly impactful career heading the Museum of Contemporary Art. Her wise counsel, and that of the other members of the Taskforce – from Greta Bradman to Li Cunxin to Rachel Healy and many others besides – has been of enormous value to me as Minister.

Contestable and competitive funding

Let me turn from accessibility to a related issue: how do we have an arts funding system which is contestable and competitive? It is not good enough to have a cosy club of arts companies which receive effectively guaranteed funding each year through the Australia Council. With such a large amount of taxpayers' money being spent on arts funding, it is a matter of simple fairness to ask where this money goes and who gets the benefit of it.

I should here acknowledge the determined work the Australia Council themselves have been doing to make the club a bit less cosy. In late 2019 we reached agreement amongst all arts Ministers – Commonwealth and State and Territory – to move away from the old system in which there were 29 companies designated as 'major performing arts companies' and it seemed impossible to add any more to the list. Under the new system, the so called National Partnership Companies face a process every four years to stay on the list; and we have already added new companies to the list such as the Brisbane based contemporary circus company Circa.

In my view there is more to do. Our arts funding arrangements reflect population distributions of twenty five to thirty years ago. Sydney and Melbourne are over represented; Queensland and Western Australia are underrepresented. With our RISE funding we have made some progress here – but we need our permanent arrangements, as opposed to the temporary COVID responsive arrangements, to be better aligned to our contemporary population distribution.

There are even more challenging questions than these geographic ones. Who judges which art forms receive funding – and which do not? More than one prominent

Australian musician has said to me, why does classical music receive such a preponderance of funding in this country?

Again, this is dangerous territory for an Arts Minister to wade into, and I confidently predict the word ‘philistine’ will be used by at least some in responding to me asking this question. But I do not think it is something we can ignore.

The arts and the knowledge economy

A third priority area in my view is the crossover between the arts and the knowledge economy, or the digital economy – choose your preferred jargon term.

We know that new technologies are transforming the nature of work right across the economy. Employment in digital-intensive industries has more than doubled over the past thirty years.

Around a million Australian workers in 2016 had as their highest level of qualification one in a ‘creative’ field.¹⁴ These included communication and media studies; graphic and design studies; visual arts and crafts and performing arts; information technology, including computer science; and architecture.

As the economy changes, routine work is being automated; more and more of us are likely to employ creative skills in our work. If you look at the last decade’s fastest growing industries, around a quarter of those employed in Information, Media and Telecommunications, and a fifth of those employed in Professional, Scientific and Technical services hold a formal qualification in a creative skill.

The skills that creatives use in the arts are skills of value across the modern economy. Just look at the career paths of people who train in publicly subsidised arts training institutions like the National Institute of Dramatic Art or The Australian Film, Television and Radio School. Many end up in the private sector, for profit economy.

¹⁴ Bureau of Communications and Arts Research, 2019, [*Creative Skills for the Future Economy*](#).

One specific area of crossover is using broadband and digital networks to make arts content more widely available. While COVID has been a dark period for the arts, it has also stimulated much innovation in this area.

Many companies quickly turned to digital presentation methods - such as Australian Chamber Orchestra's 'StudioCasts' and Australian Brandenburg Orchestra's Brandenburg One channel. Another good example is the Adelaide Festival using a range of live capture and live stream productions.

I met today with the founders of the Melbourne Digital Concert Hall. Under their model, developed by musicians, for musicians, concerts are performed once, at a set time – as is the traditional way in the music world. But what is not at all traditional is that the concert is streamed online. Concert goers purchase tickets in advance and all ticket money goes directly to the artists.

This project generated \$1.25 million for Australian musicians and arts sector workers in 2020. I am pleased that we were able to support it with funding of \$250,000 under RISE.

An important aspect of all of these projects is using technology to break down the divide I mentioned earlier, so that works are able to be seen not just in our capital cities but also in regional and remote Australia.

Indigenous arts

The final priority area I want to mention is indigenous art. The extraordinary creative talents of first Australians still do not receive the recognition they truly deserve.

One of the most moving experiences I have had as Arts Minister was a visit to four remote indigenous communities in the APY lands in the far north of South Australia in late 2019. I travelled with South Australian Premier and Arts Minister Steven Marshall – long a champion of indigenous art and artists. At Mimili the artists explained to us the stories reflected in their striking paintings.

Then they said, ‘Now we will dance it for you’ – and the same story was rendered in dance. In a remote community, in a fairly basic building with concrete floors, I was struck by the extraordinary and inherent creativity of the artists we met, founded in their deep knowledge of their culture and country.

This year, the Indigenous Visual Arts Industry Support program within my Department will support more than 80 arts centres, with funding of \$22 million. This helps 8,000 Aboriginal and Torres Strait Islander people to pursue a professional art practice and employ 500 arts workers, most in remote or very remote communities.

But I think we can do more. There are powerful artistic, cultural and economic reasons to further build the market for indigenous art. Of course, this must include a strong focus on artists receiving a fair return for their work.

Late last year I joined with my friend Ken Wyatt the Minister for Indigenous Australians to announce that we would develop an Indigenous Visual Arts Action Plan to support Indigenous artists and their cultural and economic interests. We released a consultation paper in September, and received submissions until the end of the year. We are now digesting all of that input with a view to releasing the plan later this year.

Conclusion

Let me conclude by returning to the question with which I began: why do we fund the arts?

As I have argued, Coalition Governments have long funded the arts – and we have done so for very good reasons. COVID has hit the arts sector hard – and for that reason we are providing unprecedented amounts of support on top of our considerable business as usual funding for the arts.

But as well as funding, as the arts and entertainment sector recovers from COVID, we have the chance to reset elements of our approach to the arts. I have shown some of the ways we have done this, through making funding more contestable, and through a

willingness to go beyond the traditional kinds of art forms and companies which tend to get most of the funding.

Ultimately, the aim of the Morrison Government is to make the arts accessible to all Australians – and to leverage the distinct strengths of Australia’s artistic, cultural and entertainment sectors to make our country stronger economically, socially and of course culturally.

We did not want to have a pandemic. But it has given an opportunity for a significant re-imagining of the Commonwealth’s approach to the arts. In my view that re-imagining will pay significant dividends for all Australians who love the arts – and on the evidence, that is the great majority of us.